

WHEATFIELD TOWNSHIP, MICHIGAN

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name WHEATFIELD TOWNSHIP	County INGHAM
Fiscal Year End JUNE 30, 2006	Opinion Date JULY 18, 2006	Date Audit Report Submitted to State AUGUST 14, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) DAVID E. HADDRILL, P.C.		Telephone Number (517) 484-4200		
Street Address 834 N. CAPITOL AVE		City LANSING	State MI	Zip 48906-5114
Authorizing CPA Signature <i>David E. Haddrill CPA</i>		Printed Name DAVID E. HADDRILL		License Number 8099

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David E. Haddrill, P.C.
Certified Public Accountant

834 N. Capitol Avenue, Lansing, MI 48906-5114
517/484-4200 Fax: 517/484-4262

July 18, 2006

Township Board
Wheatfield Township

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wheatfield Township as of and for the year ended June 30, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wheatfield Township, Michigan, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wheatfield Township, Michigan as of June 30, 2006, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis on pages 2 through 5 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wheatfield Township, Michigan basic financial statements. The statements of revenues, expenditures and changes in fund balance, and the General Fund Schedule of Revenues and Schedule of Appropriations and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

David E. Haddrill, P.C.

Certified Public Accountant

WHEATFIELD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

As the Township Board of Wheatfield Township, we offer readers of the township's financial statements this narrative overview and analysis of the financial activities of Wheatfield Township for the fiscal year June 30, 2006.

Financial Highlights

The assets of Wheatfield Township exceeded its liabilities at June 30, 2006 by \$374,583 (net assets). Of this amount, \$148,447 (unrestricted net assets) may be used to meet the Township's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Wheatfield Township's governmental funds reported combined ending fund balances of \$148,447, an increase of \$9,443 in comparison with the prior year. The total amount, \$148,447, is available for spending at the township's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$148,447, or 73 percent of the total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Wheatfield Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The statement of activities presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements report the functions of the Township, which are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Township include: general government, public safety, public works and recreation and culture.

The government-wide financial statements can be found on pages 6 and 7 of this report

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Wheatfield Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the township can be divided into two categories: governmental funds and fiduciary funds.

WHEATFIELD TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental fund financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluation of a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Wheatfield Township maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund.

The Township adopts an annual appropriated budget for its general fund. Budgetary comparison statements have been provided for the general fund to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-15 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Wheatfield Township, assets exceeded liabilities by \$374,583 at the close of the most recent fiscal year.

A significant portion of the Township's net assets (60 percent) reflects its investment in capital assets (e.g., land, buildings, and equipment). The Township used these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

TOWNSHIP'S NET ASSETS

	<u>Total</u>
Current and other assets	\$ 160 198
Capital assets	<u>329 136</u>
Total assets	<u>489 334</u>
Current liabilities	11 751
Long-term debt outstanding	<u>103 000</u>
Total liabilities	<u>114 751</u>
Net Assets	
Invested in capital assets	226 136
Unrestricted	<u>148 447</u>
Total net assets	<u>\$ 374 583</u>

WHEATFIELD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

Of the Township's net assets, \$148,447 may be used to meet the Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its governmental activities.

The Township's net assets increased by \$12,902 during the current fiscal year as discussed below.

Governmental Activities. Governmental activities increased the Township's net assets by \$9,443.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Financial Analysis of the Township's Funds

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the township's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a Township's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$148,447, an increase of \$9,443 in comparison with the prior year. All of this amount constitutes unreserved fund balance, which is available for spending at the Township's discretion.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund and the total fund balance was \$148,447. Unreserved fund balance represents 73 percent of the total general fund expenditures.

The fund balance of the Township's general fund increased by \$9,443 during the current fiscal year.

General Fund Budgetary Highlights

Differences between the original total budget and the final amended was budget totaled an increase of \$7,200. This increase was to cover additional costs for road improvements (\$5,200), general office wages (\$1,500), and assessor's expenses (\$500).

Capital Asset and Debt Administration

Capital Assets. The township's investment in capital assets for its governmental activities as of June 30, 2006, amounts to \$329,136 (net of accumulated depreciation). This investment in capital assets includes: land, buildings and equipment. The total decrease in the Township's investment in capital assets for the current fiscal year was 2.9 percent. Details of the Township's capital assets are continued in the notes to the financial statements on page 14.

Long-Term Debt. At the end of the current fiscal year, the Township had installment debt outstanding of \$103,000. The debt is backed by the full faith and credit of the Township. Additional information on the Township's long-term debt can be found in the notes on page 15.

WHEATFIELD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budget and Rates

The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget means further reductions in state-shared revenues. State-shared revenues are expected to decrease in the 2006-2007 fiscal year. The Township budgeted for a decrease in state-shared revenue. The Township's millage rate was reduced again by the Headlee Amendment rollback. These factors were considered in preparing the Township's budget for the 2006-2007 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$148,447. The Township has presented a budget in the 2006-2007 fiscal year that appropriates \$14,470 of the General Fund unreserved fund balance.

Request for Information

This financial report is designed to provide a general overview of Wheatfield Township's finances for all those with an interest in the township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Supervisor of Wheatfield Township at (517) 655-4161.

WHEATFIELD TOWNSHIP
STATEMENT OF NET ASSETS
JUNE 30, 2006

	<u>Governmental activities</u>
 <u>ASSETS</u>	
Cash and cash equivalents	\$ 149 847
Receivables	818
Due from Tax Revolving Fund	5 021
Prepaid expenses	4 512
Capital assets - net	<u>329 136</u>
 Total assets	 <u>489 334</u>
 <u>LIABILITIES</u>	
Accounts payable	3 830
Accrued payroll	7 921
Installment loan	<u>103 000</u>
 Total liabilities	 <u>114 751</u>
 <u>NET ASSETS</u>	
Invested in capital assets	226 136
Unrestricted	<u>148 447</u>
 Total net assets	 <u>\$ 374 583</u>

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2006

Functions/Programs	Expenses	Charges for services	Net expense (revenue)
Primary government			
General government	\$ 136 243	\$ 7 139	\$ 129 104
Public safety	10 648	8 556	2 092
Public works	45 942		45 942
Recreation and culture	500		500
Interest on installment loan	5 855		5 855
Total governmental activities	<u>\$ 199 188</u>	<u>\$ 15 695</u>	<u>183 493</u>
General revenues			
Property taxes			71 306
State - shared revenue			116 075
Interest income			<u>9 014</u>
Total general revenues			<u>196 395</u>
Change in net assets			12 902
Net assets, at beginning of year			<u>361 681</u>
Net assets, at end of year			<u>\$ 374 583</u>

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2006

	<u>General Fund</u>
 <u>ASSETS</u>	
Cash and cash equivalents	\$ 149 847
Receivables	818
Due from Tax Revolving Fund	5 021
Prepaid expenses	<u>4 512</u>
Total assets	<u>160 198</u>
 <u>LIABILITIES</u>	
Accounts payable	3 830
Accrued payroll	<u>7 921</u>
Total liabilities	<u>11 751</u>
 <u>FUND BALANCES</u>	
Unreserved	
Undesignated	133 977
Designated for subsequent years expenditures	<u>14 470</u>
Total fund balance	148 447

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets of \$373,054, net of accumulated depreciation of \$43,918 are not financial resources and are not reported in the funds	329 136
Installment debt is not due and payable in the current period and is not reported in the funds	<u>(103 000)</u>
Net assets of governmental activities	<u>\$ 374 583</u>

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2006

	General Fund
REVENUES	
Taxes	\$ 71 306
State government	116 075
Charges for services and reimbursements	2 148
Licenses and permits	10 847
Building rental	2 700
Interest	9 014
Total revenues	<u>212 090</u>
EXPENDITURES	
General government	132 032
Public safety	4 973
Public works	45 942
Recreation and culture	500
Debt service	19 200
Total expenditures	<u>202 647</u>
Excess of revenues over expenditures	9 443
FUND BALANCE, at beginning of year	<u>139 004</u>
FUND BALANCE, at end of year	<u>\$ 148 447</u>
Excess of revenues over expenditures	\$ 9 443
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. Current period capital outlays of \$0 were exceeded by depreciation expense of \$9,886.	
	(9 886)
Repayment of installment loan principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces installment loan debt).	
	<u>13 345</u>
Change in net assets of governmental activities	<u>\$ 12 902</u>

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP
STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2006

	Dennis Cemetery Fund	Tax Revolving Fund
<u>ASSETS</u>		
Cash	\$ 7 690	<u>\$ 5 021</u>
<u>LIABILITIES</u>		
Due to General Fund	<u> </u>	<u>\$ 5 021</u>
Net assets		
Restricted for perpetual care	7 200	
Unrestricted	<u>490</u>	
Total net assets	<u>\$ 7 690</u>	

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP
STATEMENT OF CHANGES IN NET ASSETS - DENNIS CEMETERY FUND
YEAR ENDED JUNE 30, 2006

ADDITIONS	
Interest income	\$ 221
NET ASSETS, at beginning of year	<u>7 469</u>
NET ASSETS, at end of year	<u>\$ 7 690</u>

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Wheatfield Township conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies used by Wheatfield Township:

A. Reporting Entity

Wheatfield Township is governed by an elected five-member Board. The accompanying financial statements present the government with no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Wheatfield Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting, as is the fiduciary fund financial statement. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

WHEATFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

The Wheatfield Township property tax is levied on December 1 on the taxable valuation of property (as defined by State statutes) located in Wheatfield Township as of the preceding December 31. It is Wheatfield Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The Government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include charges to customers or applicants for goods, services or privileges provided. Generally revenue includes all taxes.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1 on the taxable valuation of property as of the proceeding December 31. Taxes are considered delinquent on February 14 of the following year and are turned over to Ingham County for collection after February 28.

Capital Assets - Capital assets, which include property and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	50 years
Office equipment	10 years
Computer equipment	5 years

WHEATFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. By state law, expenditures may not exceed budgeted amounts and a fund deficit may not be budgeted.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level. All budget amendments are approved by the Township Board.

(3) CASH DEPOSITS

All of the Township's funds are received by the Township Treasurer and deposited with institutions approved by the Township Board. At June 30, 2006, the Township had \$162,558 on deposit at a local bank of which \$100,000 was covered by FDIC insurance.

(4) CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	Balance <u>July 1, 2005</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2006</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 6 200	\$	\$	\$ 6 200
Capital assets being depreciated				
Buildings	340 000			340 000
Equipment	26 854			26 854
Subtotal	366 854			366 854
Less accumulated depreciation for				
Buildings	25 100	6 700		31 800
Equipment	8 932	3 186		12 118
Subtotal	34 032	9 886		43 918
Net capital assets being depreciated	332 822	(9 886)		322 936
Governmental activities				
Capital assets - net of depreciation	\$ 339 022	\$ (9 886)	\$	\$ 329 136

WHEATFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities - General government	\$ <u>9 886</u>
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(5) LONG-TERM DEBT

At year end the Township had an outstanding installment debt of \$103,000. Monthly payments are \$1,600 including interest at 5.15 percent through October 2012. The debt is backed by the full faith and credit of the Township. Annual debt service requirements to maturity (to be paid by the General Fund) are as follows:

Year ended June 30,	Principal	Interest
2007	\$ 14 231	\$ 4 969
2008	14 981	4 219
2009	15 771	3 429
20010	16 602	2 598
20011	17 477	1 723
2012-2013	23 938	858
	\$ 103 000	\$ 17.796

(6) RISK MANAGEMENT

Wheatfield Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). Wheatfield Township has purchased commercial insurance for property, liability, wrongful acts, crime inland marine and other risks of loss including workers' compensation and accident insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

(7) BUILDING PERMIT FEES AND RELATED EXPENDITURES

For the period July 1, 2005, through June 30, 2006, building permit fees and related expenditures were as follows:

Building permit revenue	\$ <u>8 556</u>
Inspection department salaries	4 290
Fringe benefits	421
Travel and training	433
Allocated overhead	5 504
Total expenditures	10 648
Excess(deficiency) of revenues over expenditures	(2 092)
Prior net revenue(expenditure)	(16 845)
Net revenue(expenditure) January 1, 2000 through June 30, 2006	\$(18 937)

REQUIRED SUPPLEMENTARY INFORMATION

WHEATFIELD TOWNSHIP

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2006

	Original budget	Final budget	Actual
REVENUES	\$ 218 185	\$ 218 185	\$212 090
EXPENDITURES			
Legislative - Township Board	14 300	14 300	13 577
Supervisor	13 850	13 850	13 412
Elections	4 300	4 300	1 273
Assessor	12 325	12 825	12 920
Professional fees	10 840	10 840	9 077
Clerk	18 200	18 200	17 505
Board of review	450	450	504
General office	15 000	16 500	16 127
Treasurer	16 375	16 375	15 807
Township Hall and grounds	12 250	12 250	9 788
Cemetery	5 150	5 150	3 680
Public safety	250	250	250
Building inspection	7 170	7 170	4 723
Public works	44 000	49 200	45 942
Zoning and planning	5 525	5 525	3 605
Recreation and culture	500	500	500
Other functions	18 000	18 000	14 757
Debt service	19 200	19 200	19 200
Total expenditures	217 685	224 885	202 647
Excess(deficiency) of revenues over expenditures	500	(6 700)	9 443
FUND BALANCE, at beginning of year	139 004	139 004	139 004
FUND BALANCE, at end of year	\$139 504	\$132 304	\$148 447

See accompanying notes to financial statements.

ADDITIONAL INFORMATION

WHEATFIELD TOWNSHIP
GENERAL FUND
SCHEDULE OF REVENUES
YEAR ENDED JUNE 30, 2006

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>
Taxes			
Operating	\$ 70 285	\$ 70 285	\$ 71 304
Penalties and interest	<u>1 000</u>	<u>1 000</u>	<u>2</u>
Total taxes	<u>71 285</u>	<u>71 285</u>	<u>71 306</u>
Intergovernmental			
State shared revenues	<u>122 500</u>	<u>122 500</u>	<u>116 075</u>
Charges for services and reimbursements	<u>2 800</u>	<u>2 800</u>	<u>2 148</u>
Licenses and permits	<u>14 600</u>	<u>14 600</u>	<u>10 847</u>
Miscellaneous			
Building rental	2 000	2 000	2 700
Interest income	<u>5 000</u>	<u>5 000</u>	<u>9 014</u>
Total miscellaneous	<u>7 000</u>	<u>7 000</u>	<u>11 714</u>
Total revenues	<u>\$218 185</u>	<u>\$218 185</u>	<u>\$212 090</u>

WHEATFIELD TOWNSHIP
GENERAL FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
YEAR ENDED JUNE 30, 2006

	Original budget	Final budget	Actual
Legislative - Township Board			
Salaries	\$ 10 000	\$ 10 000	\$ 11 195
Supplies	150	150	27
Dues and meetings	1 500	1 500	1 078
Mileage	100	100	
Publishing	2 500	2 500	1 277
Telephone	50	50	
Total legislative - Township Board	14 300	14 300	13 577
Supervisor			
Salary	13 200	13 200	13 200
Supplies	100	100	
Dues and Meetings	300	300	145
Mileage	200	200	67
Telephone	50	50	
Total Supervisor	13 850	13 850	13 412
Elections			
Wages	3 000	3 000	810
Supplies	1 000	1 000	402
Tabulation	250	250	23
Mileage	50	50	38
Total elections	4 300	4 300	1 273
Assessor			
Contract services	12 000	12 000	12 100
Program support	325	325	318
Supplies		500	422
Dues and meetings			80
Total Assessor	12 325	12 825	12 920
Professional fees			
Attorney	7 000	7 000	5 202
Accounting	3 840	3 840	3 875
Total professional fees	10 840	10 840	9 077

WHEATFIELD TOWNSHIP
GENERAL FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
YEAR ENDED JUNE 30, 2006

	Original budget	Final budget	2006
Clerk			
Salary	\$ 15 000	\$ 15 000	\$ 15 000
Deputy	2 000	2 000	1 374
Software support	400	400	389
Dues and meetings	300	300	265
Mileage	<u>500</u>	<u>500</u>	<u>477</u>
Total Clerk	<u>18 200</u>	<u>18 200</u>	<u>17 505</u>
Board of Review			
Salaries	400	400	504
Supplies	25	25	
Meetings	<u>25</u>	<u>25</u>	
Total Board of Review	<u>450</u>	<u>450</u>	<u>504</u>
General office			
Wages	10 000	11 500	11 802
Supplies	3 000	3 000	2 511
Telephone	1 500	1 500	1 321
Machine repair	<u>500</u>	<u>500</u>	<u>493</u>
Total general office	<u>15 000</u>	<u>16 500</u>	<u>16 127</u>
Treasurer			
Salary	15 000	15 000	15 000
Deputy	500	500	18
Software support	325	325	318
Dues and meetings	200	200	145
Mileage	<u>350</u>	<u>350</u>	<u>326</u>
Total Treasurer	<u>16 375</u>	<u>16 375</u>	<u>15 807</u>
Township Hall and grounds			
Wages	2 500	2 500	1 962
Supplies	1 000	1 000	393
Utilities	3 500	3 500	3 089
Repairs and maintenance	<u>5 250</u>	<u>5 250</u>	<u>4 344</u>
Total Township Hall and grounds	<u>12 250</u>	<u>12 250</u>	<u>9 788</u>
Cemetery			
Repair and maintenance	<u>5 150</u>	<u>5 150</u>	<u>3 680</u>

WHEATFIELD TOWNSHIP
GENERAL FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
YEAR ENDED JUNE 30, 2006

	<u>Original budget</u>	<u>Final budget</u>	<u>2006</u>
Public safety	\$ 250	\$ 250	\$ 250
Building inspection			
Salaries	6 500	6 500	4 290
Supplies	20	20	
Dues and meetings	50	50	
Mileage	<u>600</u>	<u>600</u>	<u>433</u>
Total building inspection	<u>7 170</u>	<u>7 170</u>	<u>4 723</u>
Public works			
Roads	26 000	31 200	31 108
Drains	<u>18 000</u>	<u>18 000</u>	<u>14 834</u>
Total public works	<u>44 000</u>	<u>49 200</u>	<u>45 942</u>
Zoning and planning			
Salaries	5 000	5 000	2 910
Supplies	500	500	695
Mileage	<u>25</u>	<u>25</u>	
Total zoning and planning	<u>5 525</u>	<u>5 525</u>	<u>3 605</u>
Recreation and culture	<u>500</u>	<u>500</u>	<u>500</u>
Other functions			
Insurance and bonds	9 000	9 000	8 830
Social security	6 000	6 000	5 927
Contingency	1 000	1 000	
Equipment	<u>2 000</u>	<u>2 000</u>	
Total other functions	<u>18 000</u>	<u>18 000</u>	<u>14 757</u>
Debt service			
Principal	10 700	10 700	13 345
Interest	<u>8 500</u>	<u>8 500</u>	<u>5 855</u>
Total debt service	<u>19 200</u>	<u>19 200</u>	<u>19 200</u>
Total appropriations and expenditures	<u>\$217 685</u>	<u>\$224 885</u>	<u>\$202 647</u>

David E. Haddrill, P.C.
Certified Public Accountant

834 N. Capitol Avenue, Lansing, MI 48906-5114
517/484-4200 Fax: 517/484-4262

July 18, 2006

Township Board
Wheatfield Township

We have completed our examination of the financial statements of Wheatfield Township for the year ended June 30, 2006. During our examination, we reviewed certain accounting, business, and other procedures as part of our evaluation of the system of internal controls. Although our examination would not necessarily disclose all areas where improvements could be made, we did notice a few items worthy of comment.

PRIOR RECOMMENDATIONS

We were pleased to note that our previous recommendations regarding preparation of daily mileage logs, time sheets noting hours worked by day and detail lists of meetings attended have been implemented. We would, however, repeat our recommendation that the person seeking compensation and/or reimbursement sign these documents.

TAXROLL RECEIPTS AND DISBURSEMENTS

We were unable to reconcile General Fund property tax revenue with the amount of property taxes assessed. We recommend that a worksheet be prepared breaking down each tax deposit by taxing unit, a subtotal of taxes collected as of the 1st and 15th of each month (per State law), the taxroll check number that disburses these collections to each unit as of these dates and a reconciliation between total taxes assessed, total collected (and disbursed) and the amount turned over delinquent to the County.

We would be pleased to assist you if you have any questions concerning the above items or if we can be of help in any other way.

Sincerely,



David E. Haddrill
Certified Public Accountant